

Message Text

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SUBJECT: ALLEGED LINK BETWEEN CARLI RESIGNATION AND CRIMINAL
ALLEGATIONS MADE AGAINST HIM IN CONNECTION WITH FAILURE OF
SINDONA BANK

1. /SUMMARY./ UNDERSTAND THAT US PRESS HAS REPORTED THAT BANK
OF ITALY GOVERNOR CARLI'S OFFER OF RESIGNATION IS MOTIVATED
BY RECENT CRIMINAL ALLEGATIONS MADE AGAINST HIM IN CONNECTION
WITH FAILURE AND LIQUIDATION OF SINDONA'S BANCA PRIVATA ITALIA-
NA (BPI). WE DOUBT THAT THERE IS ANY CONNECTION BETWEEN THESE
TWO EVENTS. /END SUMMARY./

2. LAST WEEK ITALIAN PRESS REPORTED LATEST DEVELOPMENTS IN
INQUIRY BY EXAMINING MAGISTRATE OF MILAN RE BANKRUPTCY OF PBI
(BANK BELONGING TO MICHELE SINDONA GROUP WHICH RESULTED FROM
MERGER OF BANCA UNIONE AND BANCA FINANZIARIA ITALIANA).
LATEST DEVELOPMENT CONSISTS OF ACCEPTANCE BY EXAMINING MAGISTRATE
URBISCI OF REQUEST MADE BY PUBLIC PROSECUTOR GUIDO VIOLA FOR
ISSUANCE OF FOUR NOTICES OF JUDICIAL PROCEEDINGS AGAINST GUIDO
CARLI, GOVERNOR OF BANK OF ITALY; FERDINANDO VENTRIGLIA,
VICE PRESIDENT AND GENERAL MANAGER OF BANCO DI ROMA;
AND MARIO BARONE AND GIOVANNI GUIDI, BOTH MANAGING DIRECTORS
OF BANCO DI ROMA.

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3. A NOTICE OF JUDICIAL PROCEEDING CONSISTS OF OFFICIAL NOTICE

BY TRIBUNAL INDICATING THAT INQUIRY MAY REQUIRE TESTIMONY OF THESE FOUR MEN CONCERNING ALLEGATIONS WHICH HAVE BEEN MADE AGAINST THEM AND WHICH COULD RESULT IN EVENTUAL FINDINGS OF CRIMINAL RESPONSABILITIES IN CONNECTION WITH FUNCTIONS THEY CARRIED OUT, FIRST IN CONNECTION WITH THE MERGER OF THE TWO SINDONA BANKS AND SUBSEQUENTLY IN CONNECTION WITH THE DECLARATION OF BANKRUPTCY AND THE FORCED LIQUIDATION OF THE BANK WHICH RESULTED FROM THE MERGER (BPI).

4. THE ALLEGATIONS BEHIND THE NOTIFICATIONS OF JUDICIAL PROCEEDINGS ARE: COMPLICITY IN WITHHOLDING AND FALSIFYING INFORMATION, STOCK MARKET MANIPULATION, FRAUD AND, IN ADDITION, FOR GOVERNOR CARLI ALONE, FAILURE TO CARRY OUT OFFICIAL DUTIES. IN GENERAL THESE ARE THE SAME CHARGES WHICH WERE MADE ABOUT FOUR MONTHS AGO BY MILAN TRIBUNAL AGAINST VICE PRESIDENT OF BANCA PRIVATA ITALIANA PIETRO MACCHIARELLA AND AGAINST GENERAL MANGER GIOVAN BATTISTA FIGNON AND THIRTEEN OTHER OFFICIALS OF BPI.

5. ACCORDING TO ITALIAN PRESS, IT IS BELIEVED THAT LATEST JUDICIAL DEVELOPMENTS IN SINDONA CASE ARE RESULT OF ALLEGATIONS PRESENTED TO MILAN TRIBUNAL BOTH BY SINDONA'S LAWYERS AND BY LAWYERS OF INTERESTED FORMER STOCKHOLDERS OF BPI (ALSO AS FORMER STOCKHOLDERS OF TWO BANKS WHICH MERGED INTO BPI) WITH REGARD TO ACTIONS TAKEN BY CARLI AS GOVERNOR OF BANK OF ITALY AND BY OTHERS ON BEHALF OF BANCO DI ROMA AT THE TIME OF CREATION OF BPI AND OF ITS SUBSEQUENT FORCED LIQUIDATION. APPARENTLY CLAIMANTS BELIEVE THAT CARLI, AS GOVERNOR OF BANK OF ITALY, SHOULD HAVE BEEN IN POSITION TO KNOW OF UNSOUND FINANCIAL SITUATION OF SINDONA BANKS AT TIME THAT BOI APPROVED OF THEIR MERGER INTO BPI AND COULD HAVE ISSUED WARNING AND PREVENTED MERGER. ALSO, CLAIMANTS ALLEGE THAT FIGNON, WHO WAS SUBSEQUENTLY DESIGNATED BY BANCO DI ROMA TO MANAGE BPI, HAS FAILED TO PROTECT INTEREST OF SMALL STOCKHOLDERS. (AT THIS TIME, I.E., BEFORE LIQUIDATION OF BPI, BANK OF ITALY HAD ASKED BANCO DI ROMA TO ASSUME RESPONSIBILITY FOR MANAGING BPI AS PART OF ATTEMPTED RESCUE OPERATION.)

6. FACT THAT ALLEGATIONS OF CRIMINAL ACTIVITY HAVE BEEN MADE AGAINST CARLI, VENTRIGLIA, GUIDI AND BARONE DOES NOT NECESSARILY UNCLASSIFIED

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MEAN THAT THEY WILL BE FOUND GUILTY OF ANY CRIMINAL ACTION. HOWEVER, ON BASIS OF EVIDENCE ACQUIRED DURING COURSE OF HIS INQUIRY, EXAMINING MAGISTRATE BELIEVES IT NECESSARY ONCE AGAIN TO INTERROGATE GOVERNOR OF BANK OF ITALY AND THREE OFFICIALS OF BANCO DI ROMA, BUT THIS TIME NOT AS MERE WITNESSES AS WAS THE CASE SOME MONTHS AGO, BUT ALSO AS HAVING BEEN CHARGED WITH ALLEGATIONS OF CRIMINAL ACTIVITY.

7. IT SHOULD BE NOTED THAT ITALIAN PRESS AND PUBLIC COMMENT HAVE NOT LINKED THE JUDICIAL NOTIFICATION ISSUED AGAINST GOVERNOR CARLI WITH CARLI'S OFFER OF RESIGNATION AS GOVERNOR OF BANK OF ITALY. IN FACT, LATEST OFFER OF RESIGNATION WAS MADE IN AUGUST 1974, BUT NOT REVEALED UNTIL END-MAY 1975.
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